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14 Debtors*

15 **UNITED STATES BANKRUPTCY COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**
17 **SAN FRANCISCO DIVISION**

18 In re:

19 **PG&E CORPORATION,**

20 **- and -**

21 **PACIFIC GAS AND ELECTRIC COMPANY,**

22 **Debtors.**

23 Case No. 19-30088 (DM)
Chapter 11
(Lead Case)
(Jointly Administered)

24 **STIPULATION BY AND BETWEEN
REORGANIZED DEBTORS AND
DON A. BESKRONE, AS CHAPTER 7
TRUSTEE FOR OUTER HARBOR
TERMINAL, LLC**

25 Affects PG&E Corporation
26 Affects Pacific Gas and Electric Company
27 Affects both Debtors

28 * *All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the
2 “**Utility**”), as debtors and reorganized debtors (collectively, the “**Debtors**” and as reorganized
3 pursuant to the Plan,¹ the “**Reorganized Debtors**”) in the above-captioned cases (the “**Chapter 11
4 Cases**”) and Don A. Beskrone, as Chapter 7 Trustee for Outer Harbor Terminal, LLC (the
5 “**Trustee**,” and together with the Reorganized Debtors, the “**Parties**”), by and through their
6 respective counsel, hereby submit this stipulation (the “**Stipulation**”) for an order modifying the
7 Plan Injunction (as defined below) to permit the Trustee to file a motion in the bankruptcy case of
8 Outer Harbor Terminal, LLC, pursuant to Rule 9019 of the Federal Rules of Bankruptcy
9 Procedure, seeking approval of a settlement agreement entered into between the Parties prior to
10 these Chapter 11 Cases. The Parties hereby stipulate and agree as follows:

11 RECITALS

12 A. On January 29, 2019 (the “**Petition Date**”), the Debtors commenced these Chapter
13 11 Cases in the United States Bankruptcy Court for the Northern District of California (the
14 “**Bankruptcy Court**”).

15 B. Don A. Beskrone is the duly appointed Chapter 7 Trustee for Outer Harbor
16 Terminal, LLC in its bankruptcy case (the “**Outer Harbor Bankruptcy Case**”) currently pending
17 as Case No. 16-10283 in the United States Bankruptcy Court for the District of Delaware (the
18 “**Delaware Bankruptcy Court**”).

19 C. The Trustee filed an action against the Utility to avoid certain preferential transfers
20 (the “**Preference Action**”) that remains pending in the Delaware Bankruptcy Court as Adversary
21 Proceeding No. 18-50904.

22 D. In January 2019, prior to the Petition Date, the Trustee and the Utility entered into a
23 settlement agreement (the “**Settlement Agreement**”) resolving the Trustee’s claims in the
24 Preference Action. Before the Trustee could obtain approval of the Settlement Agreement from

25
26 ¹ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in
27 the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June
19, 2020* (as may be further modified, amended or supplemented from time to time, and together
with any exhibits or schedules thereto, the “**Plan**”).

1 the Delaware Bankruptcy Court, the Debtors filed these Chapter 11 Cases, and the Trustee was
2 stayed by section 362(a) of the Title 11 of the United States Code from continuing any action with
3 respect to his claims against the Debtors.

4 E. The Trustee timely filed proof of claim number 62435 (the “**Trustee Claim**”) for the
5 amount of the compromise payment agreed to in the Settlement Agreement.

6 F. By Order dated June 20, 2020 [Dkt. No. 8053] (the “**Confirmation Order**”), the
7 Bankruptcy Court confirmed the Plan. The Effective Date of the Plan occurred on July 1, 2020. See
8 Dkt. No. 8252.

9 G. Sections 10.5 and 10.6 of the Plan and Paragraphs 51 and 52 of the Confirmation
10 Order establish the “**Plan Injunction**,” which supersedes the automatic stay in most respects and
11 expressly prohibits (1) commencing, conducting, or continuing in any manner, directly or indirectly,
12 any suit, action, or other proceeding of any kind with respect to any pre-petition claims against the
13 Debtors or Reorganized Debtors, and (2) any effort to enforce, collect or recover on any judgment
14 based on any pre-petition claims.

15 H. Pursuant to section 7.2 of the Plan, the Reorganized Debtors are authorized to, among
16 other things, compromise, settle, otherwise resolve, or withdraw any objections to Disputed Claims
17 (as defined in the Plan) and to compromise, settle, or otherwise resolve any Disputed Claims without
18 approval of the Bankruptcy Court.

19 I. The Trustee Claim has been allowed and satisfied in accordance with the Plan
20 through the Reorganized Debtors’ claims review and administration process. However, the Trustee
21 has advised the Reorganized Debtors of certain actions that he intends to take in the Outer Harbor
22 Bankruptcy Case to bring the Preference Action to a close in the Delaware Bankruptcy Court,
23 including filing a motion (the “**Rule 9019 Motion**”) to obtain the Delaware Bankruptcy Court’s
24 approval of the Settlement Agreement, and filing a notice of dismissal (the “**Notice of Dismissal**”) to
25 dismiss the Preference Action.

26 J. The Reorganized Debtors believe that the Rule 9019 Motion and the Notice of
27 Dismissal are administrative actions that are consistent with the resolution of the Trustee Claim and
28 the Plan. Nevertheless, the Parties have agreed to request that, in an abundance of caution and to the

1 extent necessary, the Plan Injunction be modified to permit the Trustee to take the steps required to
2 bring the Preference Action to a close.

3 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE
4 INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS
5 STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THE
UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE BANKRUPTCY COURT
TO ORDER, THAT:**

6 1. Upon the date of the entry of an order approving this Stipulation, the Plan Injunction
7 shall be modified, to the extent necessary, solely to permit the Trustee to take any action necessary
8 to obtain approval of the Settlement Agreement from the Delaware Bankruptcy Court in the Outer
9 Harbor Bankruptcy Case, including filing and prosecuting the Rule 9019 Motion, and, promptly after
10 the Delaware Bankruptcy Court has approved the Settlement Agreement, to file the Notice of
11 Dismissal in the Preference Action.

12 2. In the event that the terms of this Stipulation are not approved by the Bankruptcy
13 Court, it shall be null and void and have no force or effect, and the Parties agree that, in such
14 circumstances, this Stipulation (including statements in the Recitals) shall be of no evidentiary value
15 whatsoever in any proceedings.

16 3. This Stipulation shall be binding on the Parties and each of their successors in
17 interest.

18 4. This Stipulation shall constitute the entire agreement and understanding of the Parties
19 relating to the subject matter hereof and supersedes all prior agreements and understandings relating
20 to the subject matter hereof.

21 5. This Stipulation may be executed in counterparts, each of which shall be deemed an
22 original but all of which together shall constitute one and the same agreement.

23 6. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or
24 controversies arising from this Stipulation or any Order approving the terms of this Stipulation.

25 [Signatures on Next Page]

1 Dated: August 19, 2021

2 WEIL, GOTSHAL & MANGES LLP
3 KELLER BENVENUTTI KIM LLP

4 /s/ Thomas B. Rupp

5 Thomas B. Rupp

6 *Attorneys for Debtors
and Reorganized Debtors*

Dated: August 19, 2021

ASHBY & GEDDES, P.A.

/s/ Benjamin W. Keenan

Benjamin W. Keenan

*Attorneys for Don A. Beskrone, as
Chapter 7 Trustee for Outer Harbor
Terminal, LLC*